



The President's Daily Brief

January 9, 1976

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Top Secret

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FOR THE PRESIDENT ONLY

CHINA

The official announcement of the death of Chinese Premier Chou En-lai yesterday morning appears to have been received calmly. Chou's long illness and gradual withdrawal from affairs of state had prepared the Chinese public for his death. He will be succeeded as premier by Teng Hsiao-ping, now China's first vice premier, who has been fulfilling most of Chou's former duties for well over a year.

Chou's physical decline apparently began in 1972. The 10th party congress, which met in August 1973, probably was convened partly to work out arrangements for his eventual replacement. Some indications of his illness were publicized two years ago; Chou entered a hospital in June of 1974, emerging briefly on only two occasions. He probably entered the terminal phase of his illness--now officially confirmed to have been cancer--in September 1975, when he ceased to receive visitors even in his hospital suite.

The formal transition to the post-Chou era should be relatively painless. No immediate policy changes as a result of the premier's demise are likely. Indeed, the Chinese can probably count as one of their major successes of the past year and a half their management of the transition.

In addition to carrying out his formal duties as Chou's stand-in, Teng Hsiao-ping has, over the past year, moved vigorously to consolidate his authority over the state, party and army bureaucracies. Teng, however, lacks the overwhelming prestige and even affection accorded Chou by the Chinese public and by many officials of the regime.

As one of the most prominent victims of the Cultural Revolution, Teng's past record is at least somewhat vulnerable. His gradual assumption of power over the past three years has undoubtedly been resented by party members closely associated

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with the policies of the Cultural Revolution. This resentment is unlikely to abate fully any time soon. Teng appears to retain the confidence of Mao Tse-tung, who a year ago was reported to have called the vice premier a man of extraordinary political insight.

Teng almost certainly lacks the broad vision as well as the depth of varied experience possessed by Chou, who had remained uninterruptedly at the highest levels of the Chinese Communist Party since its founding in 1921--a record that even surpasses that of Mao himself. Although Teng has a well-deserved reputation as an efficient administrator, he does not seem to possess to the same degree Chou's talents for conciliation and compromise.

Chou undoubtedly played an important advisory role in the decision-making process until the terminal phase of his illness incapacitated him last autumn. The absence of his advice and experience are likely to have a subtle effect, over the long term, on the shape and flexibility of Chinese policies, both domestic and foreign. Although Teng Hsiao-ping appears to accept fully the rationale that led to Peking's partial rapprochement with Washington, Chou was one of the two men who initiated the policy and whose prestige was deeply bound up with its success.

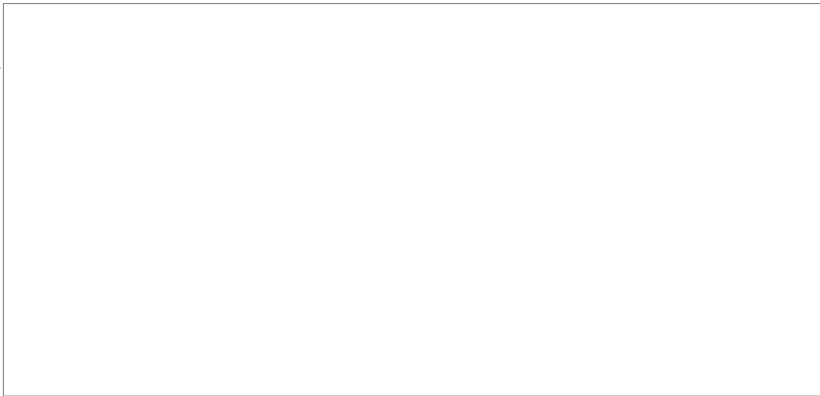
Chou's demise emphasizes the age and uncertain health of other top leaders of the Chinese regime, particularly that of Mao himself, who turned 82 two weeks ago and who is obviously frail. Chou is the second party vice chairman to die in less than a month and the third member of the Politburo standing committee to die in less than a year.

Chou's death also highlights the fact that China has now moved well into the transition toward a new generation of leaders. Peking may soon find it necessary to reconstitute the party's top leadership by moving up several second-rank figures.

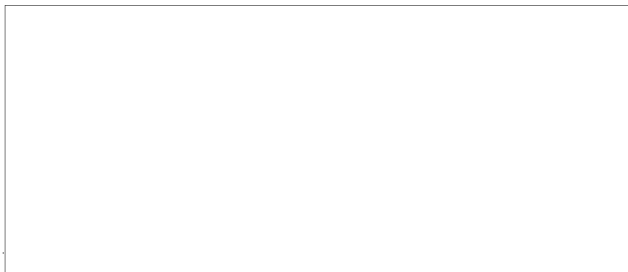
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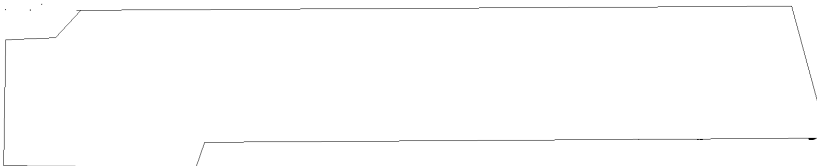
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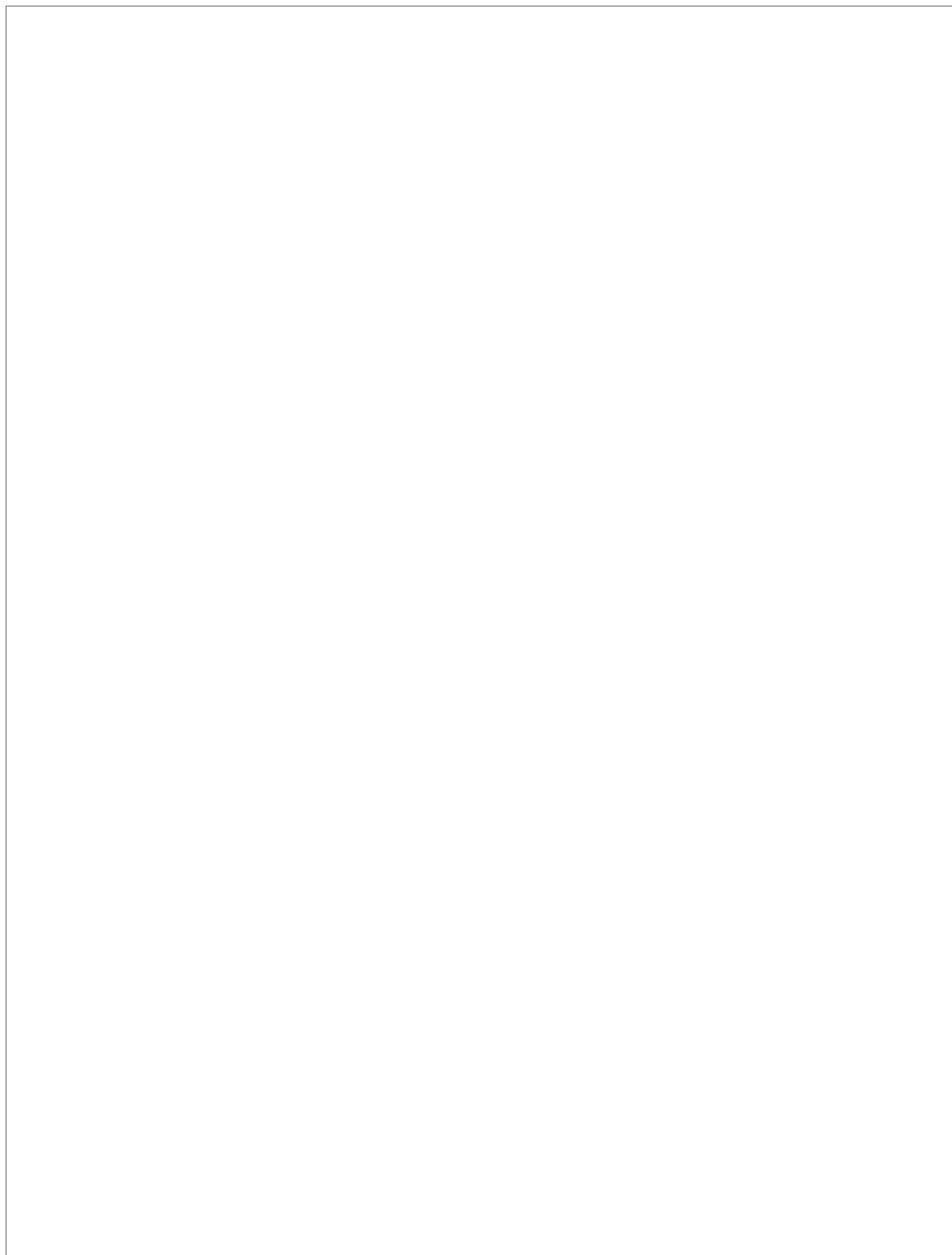


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The National Front, which has been losing ground in the northern battle zone to the Popular Movement, has begun evacuating its troops from Ambriz

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Some troops have been airlifted to Ambrizete,

Before evacuation began, there was a total of some 1,700 troops at Ambriz.

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In the west central sector, where the South Africans and mercenaries have been supporting forces of the National Front and the National Union, heavy fighting is taking place around Quibala, Gabela, and Mussende, according to South African press reports. Action along this front has picked up within the past few days as Popular Movement troops have moved out from their stronghold at Quibala after fending off an attack by the allied group.

Clashes between elements of the National Front forces and their "allies," National Union troops, have intensified in central and southern Angola

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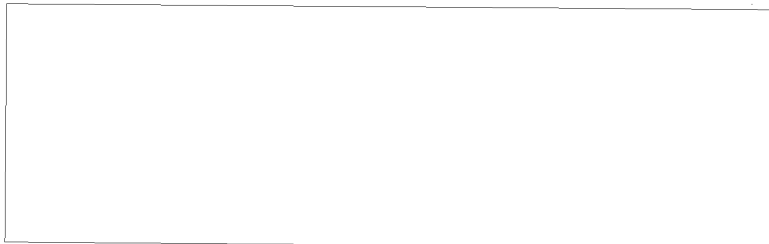


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LEBANON

No progress is being made in efforts to negotiate an end to the heavy fighting in Beirut. The cabinet and parliament have been unable to meet this week, and the Palestinians and Lebanese Muslims are boycotting meetings of the "higher coordination committee" to protest the Christian blockade of two Palestinian refugee camps.

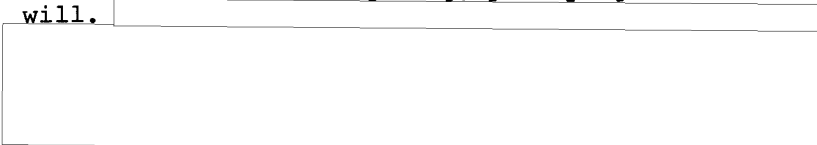
An unofficial meeting of the coordination committee--the extra-governmental body that has regularly brought leaders of the warring factions together--was held late Wednesday night, but failed to act on cease-fire proposals put forward by a liberal Christian cabinet member. Neither the right-wing Christians nor the Palestinians showed any signs of willingness to compromise.



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In fact, some units of the government's internal security force and the Lebanese army have been drawn into the fighting, partly against their will.

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Christians in the government are pushing for greater use of the army, but as usual this is being resisted by Karami. Even if the army were brought in, it could not redress the imbalance being created by the growing Palestinian involvement. According to press reports, the Palestinian news agency has for the first time acknowledged that a "broad spectrum" of Palestinian forces is involved in the fighting.

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Our embassy reports that on Wednesday a force of some 1,200 Palestinians and leftists was attempting to open a road into two refugee camps by attacking nearby Christian areas. The embassy believes that the large Palestinian units were still being held back at that time.

Lebanese army and security forces suffered casualties in one of the clashes, but appear to be attempting only to keep the private militias apart. We cannot confirm Palestinian charges that government forces are fighting on the side of the Christians. The Christians admit to losing some ground, however, and government units may have attempted to stand in the way of the Palestinian advance.

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NOTES

Iceland yesterday demanded a special NATO meeting to consider its grievances against the UK because of another ramming incident.

The government announced that the Director General of the Icelandic Foreign Ministry will visit all NATO capitals to present Reykjavik's case. Icelandic ambassadors to the US, Canada, and the UN are to be called home for consultations. The government also intends to invite NATO Secretary General Luns to Reykjavik for discussions. Meanwhile, former Icelandic prime minister Johannesson has said he wants to meet with the US ambassador in Reykjavik shortly to discuss possible contingency plans to retain the US-manned NATO base at Keflavik if Iceland should withdraw from the alliance.

* * *

Thai Prime Minister Khukrit announced the formation of a new cabinet yesterday.

Two parties crucial to the coalition's survival were given additional cabinet seats, and the opposition Social Agrarian Party was brought into the coalition. While the new cabinet expands the role of the conservative parties, it will not end Khukrit's problems with the political right. [REDACTED]

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[REDACTED] The opposition may try to introduce a motion of no-confidence next week, although few of them believe such a move would have much of a chance of success at this time.

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